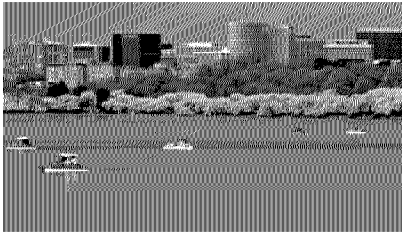


Water Law News for January 23, 2012
Mary Grady to: Steven Neugeboren
Bcc: Mindy Kairis

01/23/2012 09:05 AM

From: Mary Grady/DC/USEPA/US
To: Steven Neugeboren/DC/USEPA/US@EPA,
Bcc: Mindy Kairis/DC/USEPA/US



WATER LAW NEWS JANUARY 23, 2012

BN&A, Inc.

Daily Environment

REPORT

HIGHLIGHTS

Climate Change

Fish and Wildlife Service Drafts Strategy On Climate Adaptation to Preserve Habitats

The United States needs to identify and preserve vulnerable habitats that could be affected by climate change as a way to help plants and wildlife adapt to changing conditions, the Fish and Wildlife Service said in a Jan. 20 draft plan....

Drilling

EPA Extends Comment Period on Report On Groundwater Contamination in Wyoming

DENVER—The Environmental Protection Agency said Jan. 20 it is extending the public comment period on a draft report that found a probable link between hydraulic fracturing and ground water contamination in Pavillion, Wyo....

Drilling

EPA to Test Water Near Hydraulic Fracturing In Pennsylvania, Respond to Contamination

PHILADELPHIA—The Environmental Protection Agency will begin water sampling at 60 homes in Dimock, where groundwater contamination was linked to hydraulic fracturing used in natural gas drilling in 2009, EPA Administrator Lisa...

Energy

Republicans Plan to Keep Keystone XL Oil Pipeline at Top of Election-Year Agenda

House Republicans plan to follow President Obama's State of the Union address Jan. 24 with a congressional hearing the next day to keep the spotlight on the president's denial of a permit for the \$7 billion Keystone XL oil sands pipeline....

Enforcement

Exxon Mobil Agrees to Pay Montana \$2.4 Million for Yellowstone River Spill

MISSOULA, Mont.—Exxon Mobil Corp. has agreed to pay Montana some \$2.4 million to settle state charges related to a pipeline rupture near Billings, Mont., that spilled thousands of gallons of crude into the Yellowstone River....

Oil Spills

BP Could Pay Up to \$25 Billion to Settle Gulf Oil Spill Charges, Industry Analyst Says

HOUSTON—BP Plc could pay out \$20 billion to \$25 billion to the federal government to settle criminal and civil charges stemming from the 2010 oil spill in the Gulf of Mexico, according to a Morgan Stanley analyst....

Water Pollution

Republicans Say EPA Trying to Expand Regulatory Authority in Legal Settlements

Four Republican lawmakers said the Environmental Protection Agency has shown a "disturbing trend recently" of settling Clean Water Act cases to justify expanding its regulatory authority....



Despite Legal Limit, EPA Using Superfund To Address Likely Drilling Waste

EPA is using its Superfund law authority to investigate and address hazardous substances found in drinking water wells in Pennsylvania and Wyoming that the agency is signaling could have been caused by natural gas drilling, a rare move since the law has rarely been used to address oil and gas drilling operations.

EPA Defends Draft Water Criteria For Beaches From Waxman's Criticisms

EPA is defending its recently released draft water quality criteria for protecting against human health risks associated with bacterial contamination at beaches from criticisms leveled by Rep. Henry Waxman (D-CA) and environmentalists who charged the agency had failed to use recent epidemiological data that they say suggests the need for stricter limits than what the agency proposed.

Latest Blogs

Court Dodges Novel Water Permit Suit

A federal appellate court has sidestepped ruling on potentially precedent-setting litigation challenging EPA's emerging efforts to set numeric permit limits for nutrient pollution

in states . . .

EPA Checks For Cleanup Mishaps

EPA is investigating whether an error published in the latest edition of its drinking water standards document has led to any mistakes at hazardous waste . . .



OIL AND GAS:

As political posturing continues, hurdles lower for small section of Keystone XL

Elana Schor and Jennifer Yachnin, E&E reporters

Published: Friday, January 20, 2012

The company behind Keystone XL can pursue construction of a shorter section of the oil link between Oklahoma and Texas without getting advance approval from the federal pipeline regulators who helped negotiate stronger-than-average safety standards for the longer version of the stalled \$7 billion project.

The Pipeline and Hazardous Materials Safety Administration (PHMSA), which crafted 57 conditions beyond current regulatory boundaries for Keystone XL, confirmed yesterday that operator TransCanada Corp. would be expected to comply with all existing federal safety rules but would not need to apply to begin building a shorter leg of its now-denied Canada-to-U.S. pipeline.

In the wake of the Obama administration's denial of its application to cross the northern border, Alberta-based TransCanada said yesterday that it would pursue a version of the XL line that connects oil terminals in Cushing, Okla., with Gulf Coast refineries. TransCanada added that it expects the Army Corps of Engineers to OK those plans (*Greenwire* , Jan. 19).

Even as the company proceeds with a smaller-scale bid to unlock the glut of Canadian oil-sands crude said to exist at Cushing, Republicans and Democrats continued their political wrangling over President Obama's rejection of Keystone XL earlier in the week.

Obama's re-election campaign launched an online [petition](#) aimed at stoking support for his move to turn back TransCanada's application, citing the "irresponsible and arbitrary" 60-day deadline set by Republicans in last month's payroll tax-cut extension deal.

The GOP, for its part, continued to signal that it would look for legislative vehicles -- whether a fresh payroll tax-cut bill or other measures -- to override Obama's denial of a pipeline it touts as a massive job creator. Sen. John Cornyn (R-Texas) aimed a spotlight on the pipeline's potential economic benefits today, hosting a roundtable with local and industry officials at Valero Corp.'s refinery in Port Arthur, Texas.

The Port Arthur facility is one of several in the Gulf that would have processed emissions-intensive oil-sands crude if the XL line had proceeded. Obama's denial of the pipeline permit bid came after an intense lobbying battle between industry and green groups over the merits of permitting Keystone XL's importing 700,000-plus daily barrels of the thick Canadian fuel into U.S. markets.

The Obama camp appealed in its petition today for grass-roots and fundraising support from greens and liberals who pressed the president for a rejection of the XL line, citing the health and safety risks of more oil-sands crude development. "The Obama administration did the right thing by refusing to green-light a project before experts could determine the consequences," the petition states.

House Energy and Commerce Chairman Fred Upton (R-Mich.), whose committee is set to deliver tough questions on the pipeline rejection to Assistant Secretary of State Kerri Ann-Jones on Wednesday, vowed today at a GOP retreat in Baltimore to keep Keystone XL's benefits "on the front burner."

Rep. Lee Terry (R-Neb.), author of legislation that would deem the pipeline approved under the jurisdiction of the independent Federal Energy Regulatory Commission rather than the State Department, touted his bill during that appearance in Baltimore.

"It makes more sense that we let the experts on pipelines make the decision ... as opposed to a political entity worried about the November elections," Terry said, referring to State.

Some Democrats keep their distance

While the president and Republicans continued to trade political volleys over the XL link, North Dakota Democratic Senate candidate Heidi Heitkamp called today for the Obama administration to reverse its decision on the pipeline, deriding its rejection as political gamesmanship.

"What's always interesting to me is people in Washington talk a big game about creating energy jobs ... [but] our leaders in Washington today continue to play political games and get in partisan squabbles on getting the job done," Heitkamp said in a conference call with reporters this morning.

Heitkamp, who is competing in an open-seat election, went on to praise the Republican she hopes to join in the Senate, Sen. John Hoeven, for supporting the pipeline -- although she did not reference legislation the North Dakota senator sponsored that would empower construction to start without going through the Federal Energy Regulatory Commission.

In a letter Heitkamp addressed to the Obama administration, which had a less combative tone, the former North Dakota attorney general highlighted the project's potential for creating jobs and reducing traffic in the state.

"Right now, we're having a very difficult time ... moving our oil out of our state," Heitkamp told reporters, referring to the Bakken oil shale formation.

Heitkamp will face Rep. Rick Berg (R), who was first elected to the House in 2010 and is now quickly looking to move up to the Senate. Republicans need to pick up four seats to win control of the Senate next year -- three if Obama is defeated -- and North Dakota figures heavily in their plans.

In the meantime, the National Republican Congressional Committee continued to strike at vulnerable House Democrats on the pipeline.

In a news release issued to more than 30 districts, the NRCC accused Democrats of kowtowing to campaign donors opposed to the project.

"Thousands of jobs are headed for China and a prime opportunity for energy independence has been lost just because [North Carolina Rep. Heath] Shuler and Obama needed to appease wealthy anti-energy donors who think nothing of destroying opportunities for working families," NRCC Communications Director Paul Lindsay said in the release. "As we mark the end of the first three years of the Obama Presidency, it is clear that Shuler and his Democrat colleagues are committed to another four years of the same job destroying policies that have failed hardworking taxpayers across America."

Similar news releases were issued in the districts of Reps. Sanford Bishop (Ga.), Tim Bishop (N.Y.), Russ Carnahan (Mo.), Kathy Castor (Fla.), Ben Chandler (Ky.), David Cicilline (R.I.), Gerry Connolly (Va.), Jim Cooper (Tenn.), Peter DeFazio (Ore.), John Garamendi (Calif.), Raúl Grijalva (Ariz.), Brian Higgins (N.Y.), Jim Himes (Conn.), Ruben Hinojosa (Texas), Kathy Hochul (N.Y.), Tim Holden (Pa.), Rush Holt (N.J.), Steve Israel (N.Y.), Bill Keating (Mass.), Ron Kind (Wis.), Larry Kissell (N.C.), Rick Larsen (Wash.), Carolyn McCarthy (N.Y.), Mike McIntyre (N.C.), Jerry McNerney (Calif.), Michael Michaud (Maine), Brad Miller (N.C.), Frank Pallone (N.J.), Ed Perlmutter (Colo.), Gary Peters (Mich.), Collin Peterson (Minn.), Chellie Pingree (Maine), David Price (N.C.), Nick Rahall (W.Va.), Loretta Sanchez (Calif.), Kurt Schrader (Ore.), Adam Smith (Wash.), Betty Sutton (Ohio), John Tierney (Mass.), Paul Tonko (N.Y.), Niki Tsongas (Mass.), Pete Visclosky (Ind.) and John Yarmuth (Ky.).

AIR POLLUTION: Federal report touts effectiveness of acid-rain curbs

Jeremy P. Jacobs, E&E reporter

Published: Friday, January 20, 2012

Regulations limiting power-plant pollution linked to acid rain have made "measurable improvements" to air, water and human health, according to a scientific report released by the Obama administration yesterday.

But the National Acid Precipitation Assessment Program (NAPAP) study says more action is needed to promote a wider environmental recovery by reducing nitrogen oxides (NOx) and sulfur dioxide (SO2) emissions -- a nod to U.S. EPA's new air toxics rules.

"The principal message of this report is that the Acid Rain Program has worked," said Doug Burns, the report's lead author and a U.S. Geological Survey hydrologist, referring to the Clean Air Act Program that reduces NOx and SO2 emissions through a cap-and-trade system.

Burns added, "However, some sensitive ecosystems are still receiving levels of acid rain that exceed what is needed for full and widespread recovery."

The NAPAP report was sent to Congress by USGS, EPA, the National Oceanic and Atmospheric Administration, NASA and the departments of Energy, Interior and Agriculture.

Since the Acid Rain Program was implemented under the 1990 Clean Air Act Amendments, the report says, there have been "substantial reductions" in SO2 and NOx emissions from power plants that use fossil fuels such as coal, gas and oil. By 2009, it says, those emissions had dropped by about two-thirds of 1990 levels.

The reductions have been critical to human health, the scientists said, estimating that they have achieved health benefits valued at \$170 to \$430 billion annually.

"The SO2 [portion of the] program includes the use of a creative emissions cap-and-trade program that combines the best of American science, government, and market-driven innovation," said John Holdren, director of the White House Office of Science and Technology Policy and assistant to the president for science and technology.

Further emissions reductions would be beneficial, the report says, noting that full recovery from acid rain is "not likely" for some forests and aquatic ecosystems. New York's Adirondack Mountains have been hit particularly hard, the report says. Thirty percent of lakes in the Adirondacks continued to receive acid rain at harmful levels from 2006 to 2008.

"We have every reason to believe that recovery will continue with further decreases in emissions which is why further emission reductions would be beneficial," Burns said.

EPA has sought those further reductions through two recent rules. The agency finalized its limits for air toxics such as mercury and other pollutants emitted from coal- and oil-burning power plants at the end of last year. Coal-burning plants will reduce their SO2

emissions by 42 percent under the rules, EPA says (*E&ENews PM* , Dec. 21, 2011).

The agency has also put forth its Cross-State Air Pollution Rule (CSAPR), which address pollution that drifts across state lines. That program also includes a cap-and-trade system and set limits for NOx and SO2 emissions.

CSAPR was supposed to go into effect Jan. 1, but a coalition of more than 40 power companies, states and some unions challenged the rule. A federal court granted a last-minute stay at the end of last year, and called for an expedited hearing schedule. The court is expected to rule on CSAPR this spring (*Greenwire* , Jan. 18).

[Click here](#) for the NAPAP report.

OIL AND GAS: Public pressure, not regs, will force cleaner fracking -- Jackson

Annie Snider, E&E reporter

Published: Friday, January 20, 2012

Public pressure like that from residents of a small town in Pennsylvania who claim their water has been fouled by hydraulic fracturing will force the industry to make its practices greener, U.S. EPA Administrator Lisa Jackson said today.

"Fracking fluids will get greener, water use will get down, all because the industry, quite frankly, will do it, must do it, and will feel the public pressure -- not the EPA pressure -- to do this in a responsible way," Jackson said, speaking at a conference in Washington, D.C., this afternoon hosted by the National Council for Science and the Environment.

Yesterday, the agency announced it will truck potable water to the residents of Dimock, Pa., while it samples water for hazardous substances (*Greenwire* , Jan. 20). The town's residents say drilling activity by Cabot Oil & Gas Corp. has polluted their water wells, which data from state regulators and the company have shown to be tainted with methane and other toxic chemicals. The company trucked potable water into the town for three years until state regulators told Cabot that it had met its obligations under a 2010 settlement. The water deliveries ended Dec. 1.

Jackson has criticized Pennsylvania officials for their handling of the issue, but her agency has flip-flopped on its role multiple times in the past two months. Before yesterday's announcement, EPA had told residents first that the water posed no health risk, then that it needed further study, then, in a span of 24 hours earlier this month, the agency promised to truck in water and then reneged.

Jackson indicated today that the back-and-forth was related in part to questions about EPA's authority over the matter. The responsibility for enforcing and implementing the Safe Drinking Water Act rests with the states. Jackson said her agency ultimately decided to intervene under its Superfund authority.

OIL AND GAS: House Republicans spoil for fight on fracking

Mike Soraghan, E&E reporter

Published: Friday, January 20, 2012

House Republicans' top investigator is going after the Obama administration's approach to shale gas drilling and hydraulic fracturing, creating the potential for an election-year fight about the nation's drilling boom.

House Oversight and Government Reform Chairman Darrell Issa (R-Calif.) is questioning whether U.S. EPA chief Lisa Jackson has "prejudged" fracturing as an environmentally threat worthy of strict federal regulation. And he has subpoenaed Energy Secretary Steven Chu about how he chose a panel to look into the safety of shale gas drilling.

Issa issued the subpoena Oct. 5, but he is now taking the fight public as the congressional Solyndra investigation winds down and the Keystone XL pipeline debate picks up steam. The move also comes as EPA and Jackson spar with Pennsylvania officials about drilling and water contamination in Dimock, Pa. (*Greenwire* , Jan. 16).

"Three federal agencies are vying for the role of federal regulator of the industry," Issa wrote in a [letter](#) yesterday that was also signed by Rep. James Lankford (R-Okla.), who chairs an oversight subcommittee. "It appears EPA is preparing to regulate the practice of hydraulic fracturing in such a way as to make an unreliable method of obtaining natural gas."

Issa also demanded an answer to a question often asked by industry backers: "Can EPA cite a single instance where the practice of hydraulic fracturing has led to groundwater contamination?"

For the first time, Jackson's answer to that could be yes. EPA officials recently released a study of water contamination in Pavillion, Wyo., that found "constituents associated with hydraulic fracturing have been released into the Wind River drinking water aquifer" under Pavillion (*E&ENews PM* , Jan. 17).

However, EnCana Corp., the local driller, has categorically denied the allegations. And EPA didn't report finding fracturing chemicals in residents' drinking water, only in the deeper aquifer. The EPA study was done by some of the same EPA offices conducting a wide-ranging inquiry into whether fracturing poses a threat to drinking water. The study is due after the November election.

In response to Issa's letter, an EPA spokeswoman issued a statement that sidestepped his accusations.

"EPA has in several instances responded to public concerns about potential drinking water contamination. We have conducted a water investigation in Pavillion, Wyo., and will begin a round of water sampling at residences in Dimock, PA, in both cases after residents expressed concern about water contamination in their wells," the agency said. "In the meantime, if we see an immediate threat to public health, we will not hesitate to take steps under the law to protect Americans whose health may be at risk."

Issa's accusation that EPA expects U.S. EPA to try to block hydraulic fracturing is extrapolated from emails between staffers at the Federal Energy Regulatory Commission during a review of the Utility MACT rule. He cites a March 15, 2011, email from David Kathan, an economist in FERC's Office of Energy Policy and Innovation.

"EPA rejects the option of fuel switching based [on] its concerns about natural gas availability and environmental impacts of hydraulic fracturing associated with shale gas production," Kathan wrote. He said EPA would support a conclusion about electricity availability only if FERC believes certain amounts of power could be generated "without the use of hydraulic fracturing."

To Issa, that contradicts Jackson's testimony in hearings that state governments are the appropriate "first line of defense" against environmental damage.

"EPA's comments to FERC demonstrate EPA has come to a predetermined conclusion that hydraulic fracturing will be imminently regulated by EPA," Issa wrote.

A fine line

The Obama administration expanded a Department of Energy advisory panel in May and asked members to undertake a study into the safety of shale gas drilling and hydraulic fracturing.

President Obama was trying to walk a fine line between supporting the job-creating shale gas industry and environmentalists pointing out water contamination and other industrial pollution around drilling sites.

The committee issued a report that hailed the potential of shale gas as an energy source, but said drilling companies' lax approach to environmental protection risked a political backlash that could jeopardize expansion of the industry (*Greenwire* , Aug. 11, 2011).

As soon as the panel was formed, Issa, other Republicans and industry groups such as the American Petroleum Institute complained that Chu had not chosen any oil and gas company employees for the panel, while the group did include the head of an environmental group.

Environmentalists, on the other hand, complained that all but one member of the panel had financial ties to the oil and gas industry.

Since the subpoena was issued, there has been a behind-the-scenes tussle between administration appointees at DOE and Issa's staff that was laid out in a [letter](#) yesterday to Chu.

But DOE hasn't given committee staffers the documents they want. So Issa is demanding that seven DOE staffers submit to transcribed interviews, including White House liaison Mackey Dykes and Chief of Staff Brandon Hurlbut.

DOE officials said they're reviewing Issa's letter and said they have cooperated with Issa's investigation. But they defended the composition of the fracking panel.

"While Chairman Issa's investigation is based on the concern that the panel would be biased against industry, the group of experts brought together by Secretary Chu to help improve the safety and sustainability of natural gas fracturing included leaders from industry, states, environmental groups, and academia," said DOE spokeswoman Jen Stutsman. "The final report produced by the group was widely recognized as balanced and nonpartisan."

COLORADO:

Halliburton plans sand terminal to feed fracking activity

Published: Friday, January 20, 2012

Halliburton Co. will build a \$20 million sand terminal in Windsor, Colo., to support hydraulic fracturing activity in the Denver-Julesburg Basin.

Hydraulic fracturing involves pumping a mixture of sand, chemicals and water into wells to split apart compact rocks and release trapped gas and oil. The sand keeps those cracks in the rock open.

Companies have been beefing up their exploration activity in the area.

"With the increasing interest in horizontal well development in the DJ Basin, we have seen an increase in exploration and production by some of our key customers," said Halliburton senior regional vice president Rick Grisinger.

The plant is expected to begin operating by the second quarter of 2012 (Mark Jaffe, *Denver Post* , Jan. 19). -- GV

WATER POLICY:

GOP accuses EPA of using lawsuits to ramp up regulations

Paul Quinlan, E&E reporter

Published: Friday, January 20, 2012

Congressional Republicans are raising questions about what they call a recent pattern of U.S. EPA settlements being used by the agency to justify an overextension of regulatory authority under the Clean Water Act.

In a letter to EPA Administrator Lisa Jackson, the top Republicans on the committees and subcommittees with jurisdiction over the Clean Water Act -- Sens. James Inhofe of Oklahoma and Jeff Sessions of Alabama and Reps. John Mica of Florida and Bob Gibbs of Ohio -- decried what they called the Obama administration's "sue-and-settle" tactic as a backdoor way of rolling out new, overly expansive regulations and justifying them to Congress.

"Rather than defending the statutory and constitutional limits on its power, the EPA appears to be encouraging court settlements that expand its regulatory authority and usurp the proper role of states in managing their waters," Gibbs said in a statement. "It is time to end this mission creep and restore the EPA's intended role as described by the Clean Water Act."

The lawmakers cited examples of recent settlements EPA reached with the Conservation Law Foundation, the Buzzards Bay Coalition, the Chesapeake Bay Foundation and the Natural Resources Defense Council.

For decades, EPA and other federal agencies have used settlements negotiated with interest groups as political cover for pursuing new or expanded regulatory authority.

"It's saying, 'Oh, you're giving us more authority? Thank you very much,'" said Jonathan Adler, a law professor and director of the Center for Business Law and Regulation at the Case Western Reserve University School of Law. "I don't think it's unique to this administration."

The "lion's share" of regulatory authority at U.S. EPA was driven by litigation, Adler said, as environmental groups prodded the agency -- or in some cases, gave it an excuse -- to more aggressively and expansively enforce major environmental laws such as the Clean Water Act and Clean Air Act, both of which passed in the 1970s.

Adler said the real problem is structural, since it allows for such cooperation. He suggested that Congress consider subjecting settlements to legal review by the White House Office of Management and Budget.

"That a pro-regulatory administration responds to this dynamic in a way that expands regulations is to be expected and a less pro-regulatory administration will respond in a less pro-regulatory way, but the underlying dynamic is structural."

Critics say such a review of settlements could allow politics to interfere with the courts. Joan Mulhern, senior legislative counsel at the environmental group Earthjustice, noted that regulations -- regardless of whether they stem from settlement agreements -- must receive OMB review. She called the idea of OMB settlement reviews "completely inappropriate and unnecessary."

"They are not the branch of federal government that is supposed to perform that function," she said.

Mulhern also called the Republicans' charge false. She cited an example of an Earthjustice suit that forced EPA to impose tougher water pollution rules on the state of Florida, noting that EPA gave Florida an 18-month grace period -- which was opposed by Earthjustice -- to enact the new regulations. The agency now appears poised to let the state establish its own limits, she said.

"The idea that there's some secret sue-and-settle or some collusion over litigation is just absolutely false," Mulhern said.

GULF SPILL:

DOJ wants to hold companies liable for environmental damages

Published: Friday, January 20, 2012

The U.S. Department of Justice yesterday asked U.S. District Judge Carl Barbier to declare BP PLC, Anadarko Petroleum Corp. and Transocean Inc. liable for Clean Water Act and Oil Pollution Act penalties related to the April 2010 oil spill in the Gulf of Mexico, prompting the companies to point fingers at one another.

Steven O'Rourke, a senior attorney in the environmental enforcement section of DOJ, said the two federal acts clearly state owners or operators of vessels or offshore facilities are liable in the event of an oil spill.

BP held the lease on the Macondo well, and Anadarko owned a share of it. Transocean owned the Deepwater Horizon drilling rig. All three companies admit oil was spilled in the Gulf, and O'Rourke told Barbier these facts are enough to declare all of the companies liable.

"They've admitted they're owners, and they've admitted a discharge of oil from the well," he said. "It really is that simple."

If the companies are held liable for the spill, they will be responsible for paying millions of dollars in civil environmental penalties. A Feb. 27 trial is expected to begin an almost yearlong process of assigning fault for the Deepwater Horizon explosion and subsequent spill. Each of the three companies would face penalties proportional to their contribution to the disaster.

But BP, Anadarko and Transocean say laying blame is not that easy and have each provided arguments as to why they shouldn't be held

liable.

Anadarko, which owned a 25 percent stake in the Macondo well, is not responsible under the Clean Water Act because the oil leaked from Transocean's broken rig equipment, said David Salmons, a lawyer for the company. Anadarko owned no part of the rig.

BP agrees with Anadarko that the discharge stemmed from Transocean's vessel, said Andy Langan, an attorney for the British oil giant.

Transocean disagreed, saying the spill was a result of BP's loss of well-control.

Barbier said he would consider the companies' claims but did not give a time frame for his ruling (Rebecca Mowbray, [New Orleans Times-Picayune](#) , Jan. 19). -- **PK**

EPA: Agency will test water in Dimock, Pa.

Published: Friday, January 20, 2012

U.S. EPA will conduct tests on water wells in Dimock, Pa., where residents say hydraulic fracturing activity has polluted their drinking water supplies.

The agency will also truck water to four homes in the town, it said in a statement yesterday.

The tests are meant to "further assess whether any residents are being exposed to hazardous substances that cause health concerns," the agency said.

EPA has flip-flopped on the issue, declaring just six weeks ago that the water in the town was safe to drink.

Dimock residents say drilling activity by Cabot Oil & Gas Corp. has polluted their water wells. The company trucked water to residents for three years until November 2011, when it stopped with permission from state regulators.

But state regulators aren't happy about EPA's involvement in the matter, and analysts predict the action will spur greater state and local regulation of hydraulic fracturing activities.

"Every government that oversees shale gas production at the state and municipal level will be looking for ways to prevent this from happening in their producing areas," said Kevin Book, an analyst at ClearView Energy Partners. "That means local regulation will be ramping up" (Edward McAllister, [Reuters](#), Jan. 19). -- **GV**

PENNSYLVANIA: State axes drilling, climate change research

Published: Friday, January 20, 2012

Pennsylvania Gov. Tom Corbett (R) has cut funding for scientific research into issues related to hydraulic fracturing for natural gas, leaving open questions regarding the effect of the activity on animals, plants and climate.

The Department of Conservation and Natural Resources last month cut funding for a wildlife research program by 70 percent, and a revised state research priority list omits projects that study the impact of drilling and climate change. The governor's budget would slash the conservation department's total budget from \$780,000 to \$251,683, a 68 percent reduction.

The department said the funding cuts were due to declining revenue but did not say why the department's secretary Richard Allan chose to cut certain projects over others.

In 2010, then-Gov. Ed Rendell's (D) administration approved four projects on the effect of drilling on wildlife and nine on climate change. This year, just one drilling-related study has received funding, even though an initial call for proposals in March 2011 asked specifically for studies that examine the effects of climate change and energy extraction.

The state received 46 applications, including four studies on the Marcellus Shale and four studies of climate change. Officials recommended two new projects studying plant growth along natural gas pipelines and continuation of funding for an older project. Two projects on climate change were also recommended for funding.

But a vote for approving funding that was set for Oct. 19, 2011, never happened as Allen canceled the board meeting. A new meeting was scheduled for Dec. 6, 2011, but with a revised funding list that eliminated 13 recommended projects, including two of the three drilling-related efforts and both climate change projects.

Allan has said he is worried that some of the research on the list duplicates work already carried out by his agency. The agency has increased its number of staff biologists and now has two researchers dedicated to monitoring gas drilling (Scott Detrow, [StateImpact](#), Jan. 18). -- **GV**

ClimateWire -- Mon., January 23, 2012 -- [Read the full edition](#)

1. AVIATION: With a prod from Europe, U.S. moves closer to a commercial jet biofuel facility

The aviation industry and federal government are closing in on deals to build the United States' first commercial-scale sources of jet

biofuel, a move considered critical to cutting the sector's emissions. Over the last three years, several airlines have already flown demonstration flights with biofuel blended into their conventional jet fuel. Engineers and regulators have also studied several biofuels and confirmed they are safe for flying, when blended with regular fuel.

TODAY'S STORIES

- 2. **ADVOCACY:** Scientists, celebrities to cruise with Gore to Antarctica
- 3. **SCIENCE:** Researchers puzzle over measurements of ocean-stored heat
- 4. **REGULATION:** Calif. cites trade damage in asking court to lift injunction
- 5. **FINANCE:** U.K. financial system overexposed to high-carbon investments, report says
- 6. **FORESTS:** Social acceptance of fire needed in climate-changing forests
- 7. **EMISSIONS:** Can Keystone XL move forward in pieces?
- 8. **STATES:** Climate change threatens Calif. economy by drying up ecosystems -- report
- 9. **AGRICULTURE:** Future climate talks need stronger focus on food production -- experts
- 10. **CHINA:** Beijing bows to citizens' demands for stricter smog measurements
- 11. **EMISSIONS:** Carbon credits may help New Orleans wetlands
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E&ETV's OnPoint

- 13. **OIL AND GAS:** Hercules Offshore's Noe discusses state of industry in Gulf of Mexico

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